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Morocco

Grain and Feed Update

2014 Grain and Feed Update

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Report Highlights:

Moroccan Ministry of Agriculture announced final cereal production for MY2014/15 at 6.8 million MT, which was 30 percent lower compared to production in the previous season. The 2015/2016 season started under unfavorable conditions with a significant shortage in the rainfall and low water reserves in dams. On September 1, 2014, the Government of Morocco (GOM) reduced the import duties for bread wheat from 45% to 17.5%, and is currently legislating measures that will simplify imports procedures for cereals. For MY 2014/15, Post maintains its estimate for imports at 3.1 million MT for wheat and 0.4 million MT for barely with an expected increase in market share for Russia and Black sea countries.

Post:
Rabat

Author Defined:
Production

The 2015/2016 season started under unfavorable conditions with a significant shortage in rainfall up to October 2014 compared to an average year. Reserves in dams decreased by 12% compared to last year and the overall fill rate was around 57%. Many experts predict water rationing for the coming season despite government announcement that the deficit is manageable. Planting will take be late as farmers are waiting for autumn rainfall.

For MY2014/15, Morocco's Official grain crop production was announced at 6.8 million MT, which was 30 percent lower compared to production in the previous season. It consisted of 3.7 million MT of soft wheat, 1.4 million MT of durum wheat, and 1.7 million MT of barley. The production was in line with the target set in the Green Morocco plan (GMP).

The below table shows the breakdown of Morocco's grain production by marketing year.

Marketing Year Crop	Durum Wheat	Common Wheat	Total. Wheat	Barley	Total Production
2009/2010	2,100	4,300	6,400	3,800	10,200
2010/2011	1,640	3,247	4,887	2,570	7,457
2011/2012	1,850	4,170	6,020	2,340	8,360
2012/2013	1,130	2,740	3,870	1,200	5,070
2013/2014	1,900	5,100	7,000	2,700	9,700
2014/2015	1,400	3,700	5,100	1,700	6,800

Source: Ministry of Agriculture data

Government Support for Cereal Production

For the MY 2015/2016 cereal crop, the government will continue implementing series of measures to support cereal production as part of the GMP. These measures included establishing a reference price for local wheat purchases, paying farmers a premium to store their wheat and encouraging them to use certified seeds. Other measures to support grain production include subsidies for farm machinery purchases and irrigation equipment that range from 30 to 70 percent of the purchase cost and subsidizing soil testing to optimize fertilizer usage.

Trade

Morocco's cereals imports in MY 2013/2014 totaled 4,305,088 MT, including 3,966,228 of wheat and 338,860 MT of barely, which is almost the same volume imported in MY2012/13. France took the lead in Morocco's wheat market, with 48 percent market share, while Canada supplied 18 percent. US exports were limited in MY2013/14 to 36,000 MT. For barely, France and Argentina supplied 80% of Morocco imports with 5% market share for Canada. From June 2014 to the end of August 2014, Morocco's cereals imports totaled 119,531 MT for wheat and 92,752 MT for barley. For MY2014/2015, Post maintains Morocco's imports at 3.1 million MT for

wheat and 0.4 million MT for barely. This is 18% less than the volume imported in MY2013/14 and can be explained by Morocco's massive imports in the first eight months of 2014 with wheat imports increasing by 52% and barely by 150%.

Regarding Morocco wheat suppliers, it is expected that Russia and Black sea countries increase their market share for MY2014/15. In June 2014, the Moroccan wheat trade federation announced the signature of a contractual framework with banks under which Moroccan importers would buy the equivalent of \$300 million of Russian wheat in MY2014/15. It is also worth mentioning that the government is planning to use temporary quality control measures for European wheat following Moroccan miller's complaints about quality.

Policy:

Since September 1, 2014, Government of Morocco (GOM) decided to reduce the import duties on bread wheat to 17.5% from 45% (*Circulaire ## 5459/211*) and maintained the duty on durum wheat at 2.5%. It is also important to note that a decree including measures to simplify import procedures for cereals was submitted recently to the government for adoption. The decree intends to reduce the obstacles faced by Moroccan cereals importers. In the new decree importers are no longer requested to provide a bill of loading to justify the execution of the importation. The decree will also limit the period between the import declaration and port arrival to 90 days which will help the GOM to have better and more accurate data on supplies and stocks.

Production, Supply and Demand Data Statistics:

Wheat, Morocco (Areas in 1,000 HA and Quantities in 1,000 MT)

Wheat Morocco	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jun 2013		Market Year Begin: Jun 2014		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	3,142	3,142	3,280	3,280	3,060	3,060
Beginning Stocks	3,305	3,305	2,472	2,713	4,122	4,429
Production	3,870	3,870	7,000	7,000	4,700	5,100
MY Imports	3,833	4,038	3,900	3,966	3,000	3,100
TY Imports	3,825	4,038	3,900	3,996	3,000	3,100
TY Imp. from U.S.	88	101	0	0	0	0
Total Supply	11,008	11,213	13,372	13,679	11,822	12,629
MY Exports	236	200	250	250	250	150
TY Exports	259	200	250	250	250	150
Feed and Residual	100	100	600	600	300	400
FSI Consumption	8,200	8,200	8,400	8,400	8,600	8,500
Total Consumption	8,300	8,300	9,000	9,000	8,900	8,900
Ending Stocks	2,472	2,713	4,122	4,429	2,672	3,579
Total Distribution	11,008	11,213	13,372	13,679	11,822	12,629
Yield	1.	1.2317	2.	2.1341	2.	1.6667
TS=TD		0		0		0
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Production, Supply and Demand Data Statistics:
Barely, Morocco (Areas in 1,000 HA and Quantities in 1,000 MT)

Barley Morocco	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jul 2012		Market Year Begin: Jul 2013		Market Year Begin: Jul 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,893	1,893	1,690	1,690	1,440	1,440
Beginning Stocks	775	775	189	218	889	956
Production	1,200	1,200	2,700	2,700	1,750	1,700
MY Imports	114	143	400	338	600	400
TY Imports	147	120	500	355	600	400
TY Imp. from U.S.	0	20	0	0	0	0
Total Supply	2,089	2,118	3,289	3,256	3,239	3,056
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	1,200	1,200	1,600	1,500	2,000	1,800
FSI Consumption	700	700	800	800	1,000	1,000
Total Consumption	1,900	1,900	2,400	2,300	3,000	2,800
Ending Stocks	189	218	889	956	239	256
Total Distribution	2,089	2,118	3,289	3,256	3,239	3,056
Yield	1.	0.6339	2.	1.5976	1.	1.1806
TS=TD		0		0		0
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